

# ModernGraham Valuation

Corus Entertainment  
Inc. (USA)



**Company Name:**

Company Ticker TSE:CJR.B

Date of Analysis

7/28/2018

## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$1,061,764,000	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.95	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	14.45%	Fail
5. Earnings Growth	PEmg < 20	4.55	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.51	Pass
7. Moderate Price to Assets			

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.95	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-58.35	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Fail

**Suitability**

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.89
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$12.91
MG Value based on 0% Growth	\$7.57
Market Implied Growth Rate	-1.98%

*MG Opinion*

Current Price	\$4.05
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$13.17
Graham Number	\$17.11
PEmg	4.55
Current Ratio	0.95
PB Ratio	0.51
Current Dividend	\$1.14
Dividend Yield	28.15%
Number of Consecutive Years of Dividend Growth	7

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.10	Next Fiscal Year Estimate	\$0.89
Aug2017	\$0.95	Aug2017	\$0.88
Aug2016	\$0.96	Aug2016	\$0.97
Aug2015	-\$0.29	Aug2015	\$1.11
Aug2014	\$1.76	Aug2014	\$1.79
Aug2013	\$1.90	Aug2013	\$1.62
Aug2012	\$1.78	Aug2012	\$1.39
Aug2011	\$1.78	Aug2011	\$1.16
Aug2010	\$1.56	Aug2010	\$0.83
Aug2009	-\$0.71	Aug2009	\$0.53
Aug2008	\$1.54	Aug2008	\$1.02
Aug2007	\$1.24	Aug2007	\$0.68
Aug2006	\$0.41	Aug2006	\$0.23
Aug2005	\$0.83	Aug2005	\$0.13
Aug2004	-\$0.27	Aug2004	\$0.00
Aug2003	\$0.47	Aug2003	\$0.24
Aug2002	-\$1.98	Aug2002	\$0.21
Aug2001	\$1.53	<b>Balance Sheet Information</b> <b>5/1/2018</b> Total Current Assets \$572,097,000 Total Current Liabilities \$604,723,000 Long-Term Debt \$1,903,577,000 Total Assets \$4,968,929,000 Intangible Assets \$3,960,973,000 Total Liabilities \$3,319,528,000 Shares Outstanding (Diluted Average) 208,624,000	
Aug2000	\$2.30		
Dec1999	\$0.00		
Dec1998	\$0.00		





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

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ModernGraham  
posts about the  
company

[Corus Entertainment Inc Valuation – Initial Coverage \\$TSE:CJR.B](#)

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